

**§ 18B-1302. Franchise agreement.**

(a) Nature of Agreement. – A franchise agreement is a commercial relationship between a wholesaler and supplier of a definite or indefinite duration, whether written or oral, including:

- (1) A relationship whereby a wholesaler is granted the right to offer and sell the brands of malt beverages offered by the supplier; or
- (2) An agreement whereby a supplier grants to a wholesaler a license to use a trade name, trademark, service mark or related characteristic and in which there is a community of interest in the marking of the products of the supplier by lease or otherwise.

(b) Existence of Agreement. – A franchise agreement as described in subsection (a) exists when:

- (1) The supplier has shipped malt beverages to a wholesaler or accepted an order for malt beverages from the wholesaler;
- (2) A wholesaler has paid or the supplier has accepted payment for an order of malt beverages intended for sale within this State;
- (3) The supplier and wholesaler have filed with the Commission a distribution agreement as required by G.S. 18B-1303; or
- (4) A supplier acquires the right to manufacture a malt beverage product, or the trade name for such product, or the right to distribute a product, for which a wholesaler has a franchise agreement. (1989, c. 142, s. 1; 2005-350, s. 5.)